

**DEPARTMENT OF STATE REVENUE
LETTER OF FINDINGS NUMBER: 05-0350
Individual Income Tax
For the Years 1998-1999**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUES

I. Individual Income Tax – Income of S Corporation shareholders

Authority: Ind. Code § 6-8.1-3-17

Taxpayer protests the assessment of adjusted gross income tax based on its interest as a shareholder in an S Corporation.

STATEMENT OF FACTS

Taxpayer is an individual who was assessed income tax on income derived as a shareholder in an S Corporation. Taxpayer filed a protest of the tax. During Indiana Tax Amnesty, Taxpayer paid the taxes assessed.

I. Individual Income Tax – Income of S Corporation shareholders

DISCUSSION

Taxpayer argued that the assessment of additional income tax was erroneous. Taxpayer paid the base tax liability in question between September 15, 2005, and November 15, 2005. By opting into the Indiana Tax Amnesty program and paying the base tax liability during the amnesty period, Taxpayer has withdrawn its protest of base tax, and has agreed to forego any rights to refund, further protest, or appeal of the tax liability. Accordingly, Taxpayer's protest of base tax is denied, and interest and penalties are waived per Ind. Code § 6-8.1-3-17(c).

FINDING

Taxpayer's protest is sustained in part and denied in part.